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C O N F I D E N T I A L SECTION 01 OF 02 ASUNCION 001037

SIPDIS

STATE FOR WHA/BSC AND EB/IFD/OIA  
STATE PASS TO USAID FOR LAC/AA  
STATE PASS TO USTR FOR LYANG  
NSC FOR SUE CRONIN  
TREASURY FOR OSIA MAUREEN WAFER  
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR  
COMMERCE FOR ITA SARAH COOK  
SOUTHCOM FOR POLAD DAN JOHNSON

E.O. 12958: DECL: 08/11/2007

TAGS: [PGOV](#) [PREL](#) [KDEM](#) [PA](#)

SUBJECT: PARAGUAY CONDUCTS FIRST INTERNAL PARTY ELECTION  
WITH ELECTRONIC BALLOTS

Classified By: Ambassador John F. Keane, For reasons 1.5 (b) and (d).

1. (U) SUMMARY : On July 17, Deputy Blas Antonio Llano won the internal elections of the Authentic Radical Liberal Party (PLRA), defeating Efraim Alegre by less than 12,000 votes. According to a Superior Elections Tribunal (TSJE) official, the election was a success and approximately 30 percent of the registered members voted in that election. The President of the House of Deputies, in a conversation with the Ambassador, stated that he did not believe Llano's election would produce a significant impact on proceedings in Congress. The TSJE official stated there are plans to use the electronic ballot machines in the future but that recent party grumbling and calls to reduce spending will pose challenges to TSJE's overall work. The successful first use of electronic balloting for internal elections will make it difficult for the Colorado Party to resist this measure. End Summary.

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The PLRA Election  
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2. (SBU) On August 11, PolOff discussed this election and its implications with TSJE Director of Public Relations, Liliana Benitez. Ms. Benitez indicated the election was an organizational success and a foregone conclusion. It was known from the very beginning that Llano would win the election. This election was the first time the TSJE used electronic balloting machines and, of the more than 3,000 they borrowed from Brazil, only a few malfunctioned and delayed the voting process in four (4) locations. She stated that the borrowed machines were old but were in relatively good working order. Once they obtained new batteries for the machines, voting continued. Benitez also indicated there was no tampering with the machines. (NOTE: AMEmbassy Asuncion was asked to participate as observers in the PLRA primary elections but the offer was declined to avert any possible claims of interference by the USG. End Note.).

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Chamber President Plays Down Party Leadership Change  
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3. (SBU) In a meeting shortly after the July election with the new President of the Chamber of Deputies, Victor Bogado, Colorado Party (ANR), and Second Vice President Lino Aguero, Country in Solidarity Party (PPS), the Ambassador asked Bogado what impact the PLRA internal elections might have on the Chamber of Deputies. Bogado did not think there would be any significant impact since the same three factions within the Liberal Party continue to jockey for power and influence. He further noted, however, that the other two factions often align to defeat Llano's group.

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Is There a Future for Electronic Balloting  
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4. (SBU) PolOff expressed the U.S. interest in free and fair elections, and, in this regard, queried Ms. Benitez about the future use of electronic balloting. Benitez stressed that the TSJE intends to use the electronic balloting machines in all future elections because they reduce fraud but the Colorado Party, of which she is a member, has signaled some resistance. She said that a political party has the option to decide whether or not to use the electronic machines for its internal elections. Benitez also stated that the TSJE will request that Brazil provide newer machines in the future. (NOTE: The TSJE only paid for the insurance on the machines, which was \$12,000 USD. End Note.)

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The President Freezes TJSE Budget  
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15. (SBU) On July 19, President Nicanor Duarte Frutos urged the TSJE "to reduce spending and not to request a budget extension because there are other priorities and political parties can wait." Benitez indicated that this budget squeeze will not affect the day-to-day operations nor will it interfere in their plans to continue using electronic balloting machines in the upcoming primaries. She said, however, that it will force the office to cut their independent contractor staff which includes about 1,500 people. The TSJE originally requested the extension of 82 billion guaranis (approximately \$13.7 million USD) to pay the political parties and extend the contracts of the contractors, whose contracts were set to expire on July 31. According to Benitez, both Chambers of Congress not only need to approve the budget but also seek to impose conditions on the spending of that budget. Usually this means, she continued, the hiring of people they know for poll watching and other campaign related tasks. Currently, the TSJE owes 60 billion guaranis (approximately \$10 million USD) to the various political parties.

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COMMENT  
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16. (C) Previously the internal Colorado party elections have been notorious for voter fraud. It is conceivable some Colorado leaders fear the cleansing effect of electronic balloting and the attendant damage it poses to their ability to manipulate results. TSJE enjoys a reputation as a credible, independent institution overseeing the conduct of elections. Successful employment of electronic balloting represents an important advance in the conduct of free and fair elections. The fact that the leading opposition party agreed to its use may make it difficult for the Colorado Party to refuse. End Comment.  
KEANE